

## Exploring Self-Employment & Business in The UK

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## Section 1: Understanding Interest in Self-Employment

Research suggests that interest in self-employment & entrepreneurship in the refugee community is almost double that in the average UK population. As a result, it is highly likely that you will be supporting someone who has either started a business outside of the UK or is keen to explore self-employment in the UK.

In this toolkit, we will offer you tips on [offering effective support](#) and [making referrals](#) to specialist organisations. However, to help identify the support and programmes that will be most suitable for any entrepreneurs you work with, it is important you understand their interest and commitment first.

### The different types of interest

Interest in self-employment can express itself in multiple ways, from an initial idea to experience of running a business in their country of origin. When a person you support expresses an interest in entrepreneurship take some time to understand how ready they are to start a business in the UK. That, in turn, will allow you to cater the support you offer to their needs and identify the next steps. Roughly we see three categories of entrepreneurs explore self-employment:

#### 1. Curious

Curious entrepreneurs may have a very early idea, but are primarily exploring livelihood options in the UK. This is a good time to connect them to programmes that encourage ideas and idea development. The focus should be on empowering them to make an informed decision by helping them do research and connecting them to resources to encourage and inform their interest. Examples of similar business models can be particularly powerful for curious entrepreneurs in understanding what is possible and what [success looks like](#).

#### 2. Interested but not ready

An interested but not ready entrepreneur may have previous experience of running a business outside of the UK or a relatively developed idea, but has made limited efforts to adapt their idea to the UK market and knows little to nothing about the practicalities of starting a business in the UK. The focus should be on making sure they have realistic expectations around what it means to start a business in the country. Often these entrepreneurs overestimate their readiness and think they could be trading quickly, unaware that it takes an average of 18 months to make a sustainable living from a new business idea. Here, again, a referral to a programme that [supports idea development](#) as well as introducing [business fundamentals](#) could be helpful.

### **3. Interested and ready**

An interested and ready entrepreneur is likely to have a clear and developed business plan, as well as detailed knowledge about what is required to trade in the UK. The focus should be on registration, compliance and building the business assets needed to succeed. [Professional support](#) is almost certainly a necessity, particularly programmes focused on launching and sustaining new businesses.

### **Managing expectations & identifying potential Challenges**

In each of these categories, it is important entrepreneurs understand the challenges they may face in starting and are realistic about the costs and time commitment involved. Whilst there is [support available](#) to entrepreneurs at almost any stage of business development, a lack of realism about the process involved can significantly hold them back and even damage their livelihood. Similarly, if an entrepreneur shows a lack of openness to feedback and/or new ideas this should be a significant source of concern and self-employment may not be the right path for them.

### **Practical solutions to overcome initial barriers**

If you are unsure on how to manage and correctly set these expectations, there are practical steps you can encourage them to take to get a realistic insight into their sector and idea.

- 1. Work experience:** even a single day of shadowing with a founder in the same industry as their idea can be a powerful platform to ground the entrepreneur in the realities of self-employment. The more practical exposure an entrepreneur has to their industry in the UK, the stronger their business idea will be and the greater their chance of success.
- 2. Finding a co-founder:** there is clear evidence that businesses are more likely to succeed when started by co-founders. Encouraging an entrepreneur to reach out to potential business partners from the sector they want to start in is not just a great way to share the load and responsibility of starting a business, but also increase their chances of long-term success.

And lastly, as we tell all of our supporters, cautious optimism goes a long way! Even for ideas that are far from market, and entrepreneurs that are at a very early stage of understanding, encouraging them to explore their idea can be hugely empowering and transformative even without business success. It is worth reinforcing that the UK is a great place to start a business, that there is a lot of support for small businesses and plenty of business opportunities to take advantage of.

Head [here](#) for a few tips on how to get the cautious part right!

## Section 2: Offering Support

Supporting an entrepreneur in starting a business can be extremely rewarding, but it is also likely to be challenging. There will be many barriers along the way and it is unlikely to be a quick process - and one that doesn't end when they start trading! As a result, they are two key steps we would recommend taking right at the start:

1. Make a referral: do not be afraid to bring in professional support!
2. Know the basics: it's essential that any business activity is safe and legal

However, this does not mean there are no hands on ways you can support and accelerate their business development. Here we have outlined some additional practical ways to stay involved and move their business forward.

### **Know the basics: being safe & legal doing business in the UK**

Setting up a business to trade safely & legally can be a headache, but it doesn't have to be. With all the information available to you online, it is important to be strategic so you find exactly the correct information you need.

The best resource to find sector specific information you need can be found at the [City Business Library](#), and their COBRA database. It is a great place to start your research and it is free to sign up. We also reference [TERN's Legal Toolkit](#) which is a great resource in understanding the different legal structures and what they mean.

These two resources have the majority of information you will need to know about registering a business and compliance the business must follow. We have given a brief overview of the key areas below, but remember unless you have experience you should not be taking on these steps with an entrepreneur alone. [Making a referral](#) should always be the first step!



## Registration

After an entrepreneur has an idea of their business they will need to decide on registration structure. It is likely that this will either be as a [Sole Trader](#), or as a [Limited Company](#). You can see an overview of the different structures and what's involved in each in TERN's Legal Toolkit [here](#).

Once an entrepreneur has decided their registration entity, they will need to check if the name that they want for their business is available on the [Companies House Name availability Checker](#).

Finally, the entrepreneur will need to register. As a sole trader this means registering for [Self Assessment](#), as a limited company this means registering with [Companies House](#) which costs just £12.

For entrepreneurs who have social impact at the heart of their business they may want to register as a [Social Enterprise](#) or Charity, rather than a Limited Company. Again, have a look at [summary table](#) of business structures in TERN's Legal Toolkit for an overview of the differences.

The typical registration for a social enterprise is as a Community Interest Company (CIC), and it is £27 to register online with Companies House. If an entrepreneur wants to register a charity, they will need a board of trustees in place before doing so. More information on the steps to register a charity can be found here in the [TERN Legal Toolkit](#) and on the [Government Website](#).

## Compliance

Businesses need to be compliant with UK law and industry standards to trade safely. They need to have the correct health and safety certificates, registration, and insurance.

Each industry has specific compliance regulations which you find on the [government website for the self-employed](#) and the [COBRA library resource](#). It is essential that any entrepreneur takes time to establish what they need to trade safely in the UK. This is particularly important for food businesses, who need to [register with their local authority](#) to operate. It's free and you cannot be refused, but you need to register at least 28 days before you start trading.

It is also important entrepreneurs secure business insurance before they start trading to mitigate any potential risks. You can see a summary of the most common types of insurance to consider [here](#).

## Accounting

Businesses need to pay tax, most commonly as income tax for those registered as sole traders or as corporation tax for those registered as limited companies. For all types of tax, it is important to keep

good accounting records and that entrepreneurs are aware that they will be required to submit a tax return on their income, expenses, profits and sales to the UK government once a year.

An accountant is the easiest way to ensure that this is done correctly and to avoid fines. Please note, this will cost money and the cost will vary depending on the size of the business. However, it is recommended to get an accountant once you start trading, just to be on the correct side of HMRC. Remember they are not the enemy and want businesses to succeed!

The costs of running the business can be offset against the tax an entrepreneur will pay, so it is important they remember to keep all receipts to submit to an accountant. It is worth keeping a very simple expenses spreadsheet along with receipts so that an accountant can easily file a tax return for an entrepreneurs business.

### **Practically support their business**

Whilst an entrepreneur is making sure their business is registered and ready to trade safely, there are a number of other ways you may be able to practically support them in strengthening their idea. These are focused on one of the most important steps for any business: testing!

Testing is an essential part of knowing if customers will buy from your business and what you need to improve to grow and strengthen your business. It doesn't matter what stage a business is at, testing is always important. To support an entrepreneur with testing you can:

1. **Give Feedback:** giving honest, constructive feedback on a product or service is essential if an entrepreneur is to succeed. Focus comments on what can practically be improved to strengthen what you most enjoyed about their product/service.
2. **Testing events:** a general rule of thumb is the more feedback the better! A testing event is a great way to bring together your friends, family and even the wider community to support an entrepreneur with an early stage idea. Make sure they have a clear idea of what they want to learn from attendees and pay the entrepreneur for their time. It's important to legitimise their business even at an early stage. If you are bringing people together, it is important to make sure the event is safe - especially for food businesses - so refer back to the [compliance requirements](#) in advance.
3. **Space in a local market:** if there is a local street market, negotiating a stall space for a one-off event or even a regularly monthly slot can be an extremely powerful way for an entrepreneur to test not only their products but the processes involved in trading. Street markets are often looking for new traders and can be very supportive with set-up so it's always worth reaching out!



In all of the above steps, it is important to remember to work with, not for the entrepreneur. Go at their pace, and make an effort to support and not manage them throughout the journey. They will make mistakes (all entrepreneurs do!) but learning by doing is an essential part of becoming an independent trader.

## Section 3: Make A Referral

### Targeted Support

[TERN](#) is the leading provider of business support for refugee entrepreneurs in the UK. We have an active community of almost 200 refugee entrepreneurs and run programmes all year round for entrepreneurs at each step of business development including:

- the Ice Academy which combines part-time employment with support in creating a viable idea for the UK market.
- TakeOff, a business incubator focused on launching entrepreneurs with a developed idea into market and ensuring they start to trade sustainably.
- On Demand, targeted, flexible consultancy for trading entrepreneurs who need help solving business problems.

Their support is UK wide and free, and applications can be made at any time via this link: [bit.ly/helloatern](https://bit.ly/helloatern). Entrepreneurs are always guaranteed a face to face session with one of their team and a positive referral if TERN is unable to support them with their current needs.

There is also increasingly local targeted business support for refugees depending on where you are in the UK, including from [ACH](#) in the West Midlands and [MENTA](#) in East Anglia. You can see if there are any organisations local to you via the Centre For Entrepreneurs [Refugee Entrepreneurship Network](#).

### Local Support

The UK also has a strong network of mainstream business support providers for small businesses. If any entrepreneur you are working with is struggling to access support, it is always worth making multiple referrals and your regional growth hub is a great place to start. You can find the one closest to you [here](#).



### **Community Inspiration**

Lastly don't forget how powerful inspiration from within the refugee community can be! There are increasingly visible success stories of refugee-led businesses, and you should be able to find case studies from the industry an entrepreneur may be exploring on [Anqa](#). Anqa is Europe's first marketplace for refugee-led brands and currently has 10 entrepreneurs profiled on the site, as well as over 100 products. They have even given all community sponsorship groups a 10% discount if you are tempted to buy and support an emerging refugee-led business whilst you're there! Simply use the discount code ANQARESET when you are at checkout.